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1. HSUEH Yueh, Hainan Defense Commander, is dividing his forces among the following: The 4, 62, 63, 64 and 32 Armies and several independent units\*. HSUEH says that the troops under his command plus air force and naval personnel on Hainan total 150,000.
2. HSUEH has been able to confirm the presence of one Communist regiment at Peihai and four Communist divisions of 3,000 men each in the following areas: Haikang, Kuangchowwan, Tunghai Island and one place which source cannot identify.
3. HSUEH has received mixed gold bars worth 2,000,000 silver dollars from Taiwan for January expenses, but is having difficulty in disposing of the gold because of its odd sizes and the lack of a market. HSUEH says that he needs 3,500,000 silver dollars monthly to run his army\*\*.
4. On 4 January 1950 Admiral WANG En-hua, newly-appointed chief of naval operation for north Hainan, arrived in Haikou from Taiwan. WANG stated that the Chinese Nationalist Navy is sending 12-20 additional naval units, mostly torpedo boats and small craft, to help patrol the strait between Hainan and the Liuchow Peninsula.
5. CHEN Chi-tang, Nationalist Governor of Hainan who is now in Haikou, is ailing and may soon move to Yulin. CHEN has sent his wife and child to Hong Kong.

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